

INTERLOCAL AGREEMENT

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This Interlocal Agreement ("Agreement") is entered into between the **Puget Sound Clean Air Agency**, (hereinafter referred to as the "Agency"), a municipal corporation of the laws of the State of Washington, and the **Port of Seattle** (hereinafter referred to as "Port"), a Washington municipal corporation, located at Pier 69, 2711 Alaskan Way, Seattle, WA 98111.

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**WHEREAS**, the Board of Directors of the Puget Sound Clean Air Agency deems it desirable to enter into an Agreement with the Port for the purposes of reducing air emissions from activities on or near the Port; and

**WHEREAS**, the Port has adopted the Northwest Ports Clean Air Strategy, the goal of which is to reduce air emissions from current and future maritime port operations in the Pacific Northwest; and

**WHEREAS**, the Agency has completed several diesel emissions reduction projects under a previous Agreement with the Port (200900046-0-CON and amendments), including the first Port Drayage Truck Scrapage and Retrofits for Air in Puget Sound (ScRAPs), the Cargo-Handling Equipment (CHE) Retrofit and Replacement Project, and the At-Berth Clean Fuels low-sulfur fuel reimbursement program; and

**WHEREAS**, the Agency is currently implementing a diesel emission reduction program on behalf of the Port entitled the "Feasibility Analysis for Upgrading Drayage Truck Engines," which was started under the previous interlocal agreement; and

**WHEREAS**, the Agency expects to complete the "Feasibility Analysis for Upgrading Drayage Truck Engines" during the Agency's 2015 Fiscal Year (July 2014 through June 2015); and

**WHEREAS**, the parties enter into this Agreement pursuant to RCW 39.34 et. seq.; and

**NOW, THEREFORE**, the Agency and the Port mutually agree as follows:

1. **Background**

The Agency is administering the "Feasibility Analysis for Upgrading Drayage Truck Engines" ("Feasibility Analysis") to assess the use of natural gas engine-conversions as a strategy in meeting the diesel particulate matter emission-reduction goals of the Northwest Ports Clean Air Strategy. Specifically the Agency desires to evaluate natural gas engine conversions as a potential strategy to meet the Clean Truck Program requirements.

Under prior agreement with the Port the Agency solicited proposals from qualified vendors via Agency RFP 2013-4 to run a pilot project for natural gas engine retrofits. The Agency entered into contract with Omnitek Engineering Inc. (Agency contract 2013-067) on September 30<sup>th</sup> 2013.

This Agreement shall supplant the expiring agreement between the Port and Agency to allow for the completion of the "Feasibility Analysis".

2. **Purpose and Scope of this Agreement.**

The purpose of this Agreement is to describe the project(s) and program(s) the Agency is undertaking on behalf of the Port to reduce emissions of air pollutants from current and future maritime operations.

**A. Duties of Agency**

1. *Task 1, Complete Feasibility Analysis for Upgrading Drayage Truck Engines.* The Agency will complete the following tasks:
  - a) Provide ongoing project management for the Feasibility Analysis.
  - b) Review and approve contract deliverables from the third-party contractor(s).
  - c) Review, approve, and pay for invoices from the third-party contractor(s) as agreed upon in the third-party contractor's contract(s).
  - d) Provide ongoing communications to the Port on the status and outcomes of the feasibility Analysis.
  - e) Provide consultation to the Port on suggested follow-on activities related to the completion of the Feasibility Analysis.
  - f) Generate quarterly written reports detailing the progress on the Feasibility Analysis. The first report shall be due October 30, 2014.

**B. Duties of the Port**

1. The Port will publicize the program(s) implemented by the Agency as part of this Agreement.
2. The Port may provide recognition incentives for program participants.
3. When requested by the Agency in connection with Agency programs under this Agreement, the Port will assist the Agency in working with the program participants in furthering the program objectives.
4. Reimburse the Agency for sub-contractor and administrative expenses as described in section 3.

3. **Compensation.** The Port has allocated \$356,028.11 for the "Feasibility Analysis". The total amount the Port owes under this Agreement shall not exceed the amount currently remaining from the original \$356,028.11 allocation. A budget outlining pass-through and administrative expenses is herein incorporated by reference and included as Attachment A.

The Agency shall submit invoices to the Port monthly using a template approved by the Port for reimbursement for services provided by the Agency and by the Agency's third-party contractor. The Agency shall also submit an invoice to the Port at the end of this Agreement for Agency and third-party contractor services. As part of the invoice, the Agency will provide a narrative describing the progress made on each task that the Agency is administering under Section 2 of this Agreement. Charges for Agency services should be broken down by the hour identifying: the task and/or subtask performed; the name of the person(s) who performed the work; the actual wages and benefits per hour for the persons(s) who provided the services; and the specific number of hours spent within a given billing period

(monthly). Indirect charges included in any invoice shall utilize the Agency's current federally approved indirect rate, which shall be applied to direct wages and benefits. For third-party contractor expenses, the Agency's invoice will include a copy of the invoice from the contractor. The Agency shall submit invoices to the Port's Project Manager. All invoices shall be paid within thirty (30) days after review and approval by the Port's Project Manager. The final invoice must be submitted no later than ten (10) working days after the termination date of this Agreement.

4. **Term.** The effective date of this Agreement is July 1, 2014. No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by the Port. Any costs incurred prior to the effective date of this contract will be at the sole expense and risk of the Agency. The termination date of this Agreement is June 30, 2015.

5. **Communications.** The following persons shall be the contact person for all communications regarding the performance of this Agreement.

<b>Port of Seattle</b>	<b>Agency</b>
Project Manager: Janice Gedlund, Air Quality Program Manager	Project Manager: Scott DeWees
Port of Seattle, Seaport Environmental Programs, Pier 69	Puget Sound Clean Air Agency
P.O. Box 1209 Seattle, WA 98111-1209	1904 Third Avenue, Suite 105 Seattle, WA 98101
Phone: 206-787-7924	Phone: (206) 689-4054
Fax: (206) 787-3707	Fax: (206) 343-7522
E-mail address: Gedlund.j@portseattle.org	E-mail address: scottd@pscleanair.org

6. **Changes.** The parties may, from time to time, require changes in the scope of services performed under this Agreement. The parties shall mutually agree to the changes by written amendment to the Agreement.

7. **Early Termination.** Either party may terminate this Agreement at any time with or without cause by giving a thirty day (30) written notice of such termination and by specifying the effective date of the termination; provided, that the termination shall be preceded by a face-to-face meeting between the Port and the Agency. Upon termination of this Agreement, the Agency, in addition to any other rights provided in this Agreement, may require the Port to deliver to the Agency any property specifically produced or acquired for the performance of such part of this Agreement as has been terminated.

8. **Subcontracting.** Neither party, nor any subcontractor of either party, shall enter into subcontracts for any of the services or work contemplated under this Agreement without obtaining prior written approval of the Agency. In no event shall the existence of any subcontract operate to release or reduce the liability of the Port to the Agency for any breach in the performance of the Port's duties.

9. **Assignment.** The work provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party, in whole or in part, without the express prior written consent of the other party.

10. **Indemnification.** Each party to this agreement shall be responsible for its own acts and/or omissions and those of its officers, employees and agents. No party to this agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this agreement.

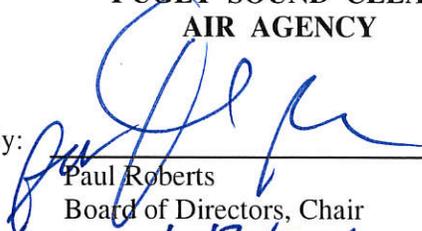
11. **Compliance with All Laws and Regulations.** The parties shall comply with all applicable local, state, and federal laws, regulations and standards necessary for the performance of this Agreement.

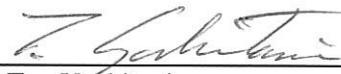
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**THIS Agreement** is executed by the persons signing below, who warrant they have the authority to execute this Agreement.

**PUGET SOUND CLEAN  
AIR AGENCY**

**PORT OF SEATTLE**

By:   
\_\_\_\_\_  
Paul Roberts  
Board of Directors, Chair  
Date: 6/30/2014

By:   
\_\_\_\_\_  
Tay Yoshitani  
Chief Executive Officer  
Date: 6-26-14

Attest:

By:   
\_\_\_\_\_  
Craig T. Kenworthy  
Executive Director  
Date: 6/30/14

Approved as to Form:

By:   
\_\_\_\_\_  
Laurie Halvorson  
Director of Compliance and Legal  
Date: 6/29/14

By:   
\_\_\_\_\_  
Tom Tanaka  
Senior Port Counsel  
Date: 6/26/14

**Interlocal Agreement 2015007-0**  
**ATTACHMENT - Budget & Expenditures to Date**

<i><b>Feasibility Analysis for Upgrading Drayage Truck Engines</b></i>	<i><b>Administrative Costs (Salaries, Benefits and Indirect)</b></i>	<i><b>Pass-Through Costs</b></i>	<i><b>Total</b></i>
Total budget	\$ 156,028.11	\$ 200,000.00	\$ 356,028.11
Expenses incurred through March 31, 2014	\$ 82,177.10	\$ 5,000.00	\$ 87,177.10
Remaining	\$ 73,851.01	\$ 195,000.00	\$ 268,851.01